



HOWARD MARKLEIN

STATE SENATOR • 17TH SENATE DISTRICT

Capitol Update

By Senator Howard Marklein

February 17, 2017

Working Together to Expand Broadband

This week, I introduced a collaborative rural broadband expansion bill. It is a combination of the [proposal that was promoted by Governor Scott Walker on December 1, 2016](#) and recommendations made by the 2016 Study Committee on Rural Broadband, which I chaired last fall. Combining our ideas, we produced legislation that will make an immediate, significant impact on rural broadband in Wisconsin.

The bill allocates \$15.5 million more for rural broadband grants during the current fiscal year. This means, when the bill passes, the Public Service Commission (PSC) will be able to make \$15.5 million more in awards before the fiscal year ends on June 30, 2017. This is in addition to the \$1.5 million the PSC has already awarded this year. The funding comes from surpluses in the Universal Service Fund (USF) and the E-Rate reimbursement fund. No other programs are being impacted by this allocation. This bill will not result in any new taxes, fees or assessments.

The Study Committee developed several recommendations for improving the Rural Broadband Expansion Grant program including improving the definition of economic development, prioritizing unserved areas more than areas that have some sort of broadband technology and expanding the consideration for broadband in the home from an educational and healthcare perspective. This bill insures that these ideas are applied to any new grants from the program.

Expanding rural broadband is one of my top priorities. There are many communities in the 17th Senate District that have little-to-no broadband service. Obviously, it is difficult to run a business, communicate or take advantage of current technology when we don't have broadband access. We must also consider the way education and healthcare are changing and relying more and more on the internet.

The Rural Broadband Expansion Grant program is a positive way for Wisconsin to encourage investment in broadband in locations where it is difficult for a private company to justify the expense of installation. It also helps municipalities, community organizations and community champions work with their telecommunications providers to build projects that might not otherwise happen.

The Federal government is also encouraging rural broadband expansion through the Connect American Fund (CAF) II program and the Alternative Connect America Model (A-CAM). There will be more than \$95 million spent on broadband expansion by 2020. AT&T, Centurylink and

Frontier are the primary recipients of CAF II. Some smaller companies will also be doing projects under the A-CAM program.

Like the Wisconsin Broadband Expansion Grant Program, the CAF II and A-CAM programs combine government funding with private investment to encourage infrastructure in locations that are difficult to justify from a return-on-investment perspective.

The Federal government has offered funding for broadband to Wisconsin in the past, but it has always had unreasonable strings attached. Contrary to some misinformation, it was not for rural broadband expansion as we know it. The oft-cited \$23 million stimulus grant in 2011 was only for schools, libraries and government agencies. It was not for residential, business or economic development purposes.

The same work that would have been done with these federal dollars was done in 2014 by the State of Wisconsin. The state was able to accomplish all of the goals of the federal grant project using state funds without having to comply with all of the strings that were attached to the federal grant.

The strings attached to the federal money required a 20 year contract for the fiber-optic installed with grant monies. The State only contracts for 5 years at a time and the sub-recipient of the grant, AT&T, also declined to participate with this type of requirement. In addition, the grant required expensive Environmental Assessments for 467 locations at our cost.

The companies participating in CAF II, A-CAM and Wisconsin's Rural Broadband Expansion Grant program have decided that the requirements of these grant programs are reasonable and beneficial to their businesses. This is good news for rural Wisconsin.

I am working with my colleagues to swiftly move this bill through the legislative process so that communities will be able to seek additional funding for rural broadband expansion. I encourage all communities with broadband needs to begin planning to apply for a grant this spring. Talk to your local providers, strategize ways to meet your community's broadband needs and find stakeholders who are willing to work on this issue. For more information on the grant program, please visit the PSC's dedicated website:

<http://psc.wi.gov/utilityinfo/tele/broadband/grants/bbGrantApplicationPage.htm>

For more information and to connect with me, visit my website

<http://legis.wisconsin.gov/senate/17/marklein> and subscribe to my weekly E-Update by sending an email to Sen.Marklein@legis.wisconsin.gov. Do not hesitate to call 800-978-8008 if you have input, ideas or need assistance with any state-related matters.

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